Supreme Court, U.S.
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No. 99-150

IN THE

Supreme Court of the United States

WAL-MART STORES, INC.,

Petitioner,

v.

SAMARA BROTHERS, INC.,

Respondent.

On Writ of Certiorari to the United States Court of Appeals for the Second Circuit

REPLY BRIEF FOR PETITIONER

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TABLE OF CONTENTS

	Page
Table of Contents	*i*
Table of Authorities	*iii*
Introduction	1
Argument	1
I. The Text And History Of The Lanham Act Suggest That A Product Configuration Can Never Be "Inherently Distinctive" Trade Dress.	1
A. The Term "Configuration Of Goods" Appears Only In Section 23(c) Of The Act Allowing Registration On The Supplemental Register. Why Is It There And There Alone?	3
B. Contrary To Samara's View, The 1988 Trademark Revision Act Did Not Alter This Statutory Interpretation...	9
C. No Patent and Trademark Office Decision Holds That The Configuration Of A Product Is Inherently Distinctive.	10
D. The Statutory Interpretation Put Forward By Wal-Mart Is Not Contrary To This Court's Opinion In *Two Pesos*.	11

Page

II. In The Alternative, While The *Seabrook* Test Is A Useful Starting Point, It Must Also Include Source Identification And Consistency Requirements 12

III. The Judgment Should Be Reversed Or The Case Remanded For Further Consideration By The Court Of Appeals. 15

A. The Lower Courts Did Not Properly Apply An Analysis Requiring Samara's Claimed Trade Dress To Be Unique And Consistent..... 16

B. The Judgment Should Not Be Sustained Simply Because It Rests On A Jury Verdict 18

C. Samara's Reliance On The Absence Of Objections To The Jury Instructions Is Misplaced 19

Conclusion 20

TABLE OF CITED AUTHORITIES

Page

CASES:

Arrow Fastener Co., Inc. v. The Stanley Works, 59 F.3d 384 (2d Cir. 1995)..... 7

Bonito Boats, Inc. v. Thunder Craft Boats, Inc., 489 U.S. 141 (1989)..... 2

Crescent Tool Co. v. Kilborn & Bishop Co., 247 F. 299 (2nd Cir. 1917)..... 2

Duraco Products, Inc. v. Joy Plastic Enterprises Ltd., 40 F.3d 1431 (3d Cir. 1994)..... 15

Eastman Kodak Co. v. Bell & Howell Document Management Prods. Co., 994 F.2d 1569 (Fed. Cir. 1993)..... 7

Ex Parte Haig & Haig Ltd., 118 U.S.P.Q. 229 (1958)..... 11

In re Corning Glassworks, 6 U.S.P.Q.2d 1032 (T.T.A.B. 1988) 11

In re Fre-Mar Industries, Inc., 158 U.S.P.Q. 364 (T.T.A.B. 1968) 11

In re International Playtex Corporation, 153 U.S.P.Q. 377 (T.T.A.B. 1967) 10

In re Superba Cravats, Inc., 145 U.S.P.Q. 354 (T.T.A.B. 1965) 10

	Page
In re World's Finest Chocolate, Inc., 474 F.2d 1012 (C.C.P.A. 1973)	11
Landscape Forms, Inc. v. Columbia Cascade Co., 113 F.3d 373 (2d Cir. 1997)	14, 20
Leatherman Tool Group, Inc. v. Cooper Ind., Inc., -- F.3d --, 1999 U.S. App. LEXIS 32705, 1999 WL 1206669 (9th Cir., Dec. 17, 1999)	13
Newport v. Fact Concerts, Inc., 453 U.S. 247 (1981)	20
Park 'n Fly, Inc. v. Dollar Park and Fly, Inc., 469 U.S. 190 (1985)	1, 2
Publications Int'l, Ltd. v. Landoll, Inc., 164 F.3d 337 (7th Cir. 1998)	14, 18
Qualitex Co. v. Jacobson Products Co., Inc., 514 U.S. 159 (1995)	2, 10
Seabrook Foods, Inc. v. Bar-Well Foods, Ltd., 568 F.2d 1342 (C.C.P.A. 1977)	*passim*
Springfield v. Kibbe, 480 U.S. 257 (1987)	20
St. Louis v. Praprotnik, 485 U.S. 112 (1988)	19, 20
Two Pesos, Inc. v. Taco Cabana, Inc., 505 U.S. 763 (1992)	2, 11

	Page
STATUTES:	
Lanham Act:	
Section 2, 15 U.S.C. § 1052	*passim*
Section 23, 15 U.S.C. § 1091	*passim*
Section 32, 15 U.S.C. § 1114	7
Section 36, 15 U.S.C. § 1118	7
Section 43, 15 U.S.C. § 1125	*passim*
Section 45, 15 U.S.C. § 1127	*passim*
OTHER AUTHORITIES:	
Hearings on H.R. 4744 before Subcomm. on Trademarks of the House Comm. on Patents, 76th Cong., 1st Sess. 126 (1939)	2
3 J. Thomas McCarthy, *McCarthy on Trademarks and Unfair Competition* (4th ed. 1999)	4
S. Rep. No. 100-515, 100th Cong., 2nd Sess. 36 (1988), *reprinted in* 1988 U.S.C.C.A.N. 5577, 5599	9
Trademark Act of 1870, Section 79, 16 Stat. 210 (1870)	6
Trademark Act of 1905, 33 Stat. 724 (1905)	6, 8
U.S. Patent and Trademark Office Trademark Manual of Examining Procedure ("TMEP")	6, 11, 15
Webster's Third New International Dictionary (unabridged) (1976)	6, 8, 17

INTRODUCTION

The Lanham Act and its judicial precedent are a legal jungle. Very few crisp and clear rules are found. As is evidenced by the variety of different tests proposed by the appellate courts and the many briefs submitted to this Court, no simple answer exists to this Court's question: what must be shown to establish that a product's design is inherently distinctive for purposes of Lanham Act trade dress protection?

In this reply brief, we hope to demonstrate, through statutory interpretation, that Congress considered a product's design to be unlike traditional trademarks and subject to the more arduous test of secondary meaning to attain distinctiveness. In the alternative, we urge the Court to adopt a test of inherent distinctiveness that requires a showing that the product configuration is "a consistent and particular design that is so unique as to be automatically, immediately, and primarily perceived as indicating origin."

ARGUMENT

I.

THE TEXT AND HISTORY OF THE LANHAM ACT SUGGEST THAT A PRODUCT CONFIGURATION CAN NEVER BE "INHERENTLY DISTINCTIVE" TRADE DRESS.

In the various briefs submitted by the parties and *amici*, no one seriously quarrels with the proposition that the analysis of the scope of protection afforded to product configuration must begin with language of the Lanham Act. This approach is sensible and informative. *See, e.g.*, *Park 'n Fly, Inc. v. Dollar Park and Fly, Inc.*, 469 U.S. 190, 194 (1985) ("statutory construction must begin with the language employed by Congress and the assumption that the ordinary meaning of that language [of the Lanham Act] accurately expresses the legislative purpose.").

Nor does any brief suggest that the legislative history of the Lanham Act should not be examined. This Court has regularly turned to legislative materials in buttressing its interpretation of the Lanham Act. *E.g., id.* at 197-98 ("[n]othing in the legislative history of the Lanham Act supports a departure from the plain language of the statutory provisions concerning incontestability"); *see also Qualitex Co. v. Jacobson Products Co., Inc.*, 514 U.S. 159, 171-73 (1995).

What do the statute and its history tell us about when a "configuration of goods" can be registered as a trademark under § 2 and thus protectable under § 43(a) of the Lanham Act?[1] Wal-Mart contends that the statute, when read as a whole, ratifies the common law rule that product configuration cannot serve as distinctive trade dress absent "secondary meaning." *See, e.g., Bonito Boats, Inc. v. Thunder Craft Boats, Inc.*, 489 U.S. 141, 157-58 (1989) ("With some notable exceptions … the common-law tort of unfair competition has been limited to protection against copying of nonfunctional aspects of consumer products which have acquired secondary meaning such that they operate as a designation of source."); *see also Crescent Tool Co. v. Kilborn & Bishop Co.*, 247 F. 299, 301 (2nd Cir. 1917).

The common law required secondary meaning because a product configuration is inherently *descriptive* of the product itself. Congress ratified this view in 1946 when it allowed applicants to register configurations of goods on the Supplemental Register for the sole purpose of facilitating protection of marks abroad. *See Hearings on H.R. 4744 before Subcomm. on Trademarks of the House Comm. on*

[1] Section 43(a) "protects qualifying unregistered trademarks… [employing] the general principles qualifying a mark for registration under § 2 of the Lanham Act…." *Two Pesos, Inc. v. Taco Cabana, Inc.*, 505 U.S. 763, 768 (1992).

Patents, 76th Cong., 1st Sess. 126, 125-37 (1939) (quoted in Pet. Br. at 16 n. 8). The congressional determination then that such marks were only "capable" of indicating source, but were not inherently distinctive, remains true today. The shape of a product always describes the product. It can only indicate the source of the product on proof of "acquired" distinctiveness. And the Lanham Act expressly bars registration of merely descriptive marks unless they acquire distinctiveness. *See* §§ 2(e) & 2(f), 15 U.S.C. §§ 1052(e) & (f).

A. The Term "Configuration Of Goods" Appears Only In Section 23(c) Of The Act Allowing Registration On The Supplemental Register. Why Is It There And There Alone?

No one challenges the fact that the term "configuration of goods" appears only in § 23 of the Lanham Act – the provision dealing with the Supplemental Register. The term is not explicitly found in subchapter I of the Act, 15 U.S.C. §§ 1051-1072 (pertaining to registration on the Principal Register), nor in the definition of a "trademark" in § 45, nor in the text of § 43(a), nor in any other part of the statute.

This singular appearance of the term "configuration of goods" is at least some indication that Congress viewed a "configuration of goods" as a distinct subject matter. Stated another way, a "configuration of goods" is not a symbol, word, term, name, numeral, device, label, or package, nor is it included within these or any other terms in the Act. It is a separate concept; it is a fundamentally different kind of mark. The placement and retention of this separate term only in § 23(c), pertaining to the Supplemental Register, and the contemporaneous legislative history explaining the placement, we submit, evince a congressional requirement that secondary meaning be established for a product configuration to be protected.

Samara's principal challenge to this statutory argument is that it purportedly proves too much. (*E.g.*, Resp. Br. 11 -- "The consequence of Wal-Mart's reading of § 23 … would be the death of virtually all trade dress protection.") Samara overstates the consequence of Wal-Mart's proposed construction.

As our initial brief acknowledges, § 23(c) contains many terms that define "marks" eligible for registration on the Supplemental Register: "trademark, symbol, label, package, configuration of goods, name, word, slogan, phrase, surname, geographical name, numeral, device…." Samara contends that, if Wal-Mart's interpretation of § 23(c) were correct, *all* of these terms must also require secondary meaning to escape the Supplemental Register and enter the Principal Register as distinctive marks. A proper understanding of the statute, in light of its legislative history, does not lead to that conclusion.

As discussed in our initial brief, a principal purpose of establishing the Supplemental Register was to obtain the benefits of registration in foreign countries of a "mark" not otherwise registrable under U.S. trademark law.[2] To help American companies achieve foreign protection, Congress crafted a list of all kinds of non-distinctive marks which might be "capable" of distinguishing goods or services, but which had not yet attained distinctive status.

A careful review of each of the terms in § 23(c) shows that most of those words are also used elsewhere in the Lanham Act (*i.e.*, "trademark," "symbol," "name," "word," and "device"); some have a plain meaning affirmed by other references in the Lanham Act (*i.e.*, "slogan" and "phrase"); and some can never be inherently distinctive (*i.e.*,

[2] This point was conceded by the *amicus* brief submitted by Ashley Furniture, et al. (Ashley Furniture, et al., Br. at 9 n. 3 *citing* 3 J. Thomas McCarthy, *McCarthy on Trademarks & Unfair Competition* § 19:33 (4th ed. 1999)).

"surname," "geographic name," and "configuration of goods"). For some of the terms in § 23(c), including "configuration of goods," the *only* path to registration is through § 2(f) – proof of secondary meaning.

To prove this conclusion and to rebut Samara's challenge, we review here each of the specific terms in § 23(c):

1. "Trademark" is the first term identified in § 23(c). But it also appears throughout the Act, particularly in § 2 (the Principal Register section), § 43(a) (the unfair competition section), and § 45 (the definitions section of the entire Act). Under the literal text of § 2, a "trademark" may be registered on the Principal Register unless it is excluded under one of the subsections in § 2, including subsection (e), which prohibits the registration of "merely descriptive" marks. Of course, under § 2(f), such marks may be protectible if they acquire distinctiveness. The use of the word "trademark" in various sections of the statute means that some "trademarks" can be inherently distinctive (through § 2); some have, through secondary meaning, acquired distinctiveness (through § 2(f)); and some are only "capable" of distinctiveness by acquiring secondary meaning (§ 23(c)). In contrast, "configuration of goods" is not a term that enjoys such versatility in the statute. It is found only in § 23(c).

2. "Symbol," "name," "word," and "device" are found in § 23(c), and in both § 43(a) and § 45. In particular, they are explicitly deemed to be "trademarks" in § 45. This parallel use means that these forms *may* inherently function as "trademarks." Like "trademarks," discussed above, these terms may be inherently distinctive, may acquire distinctiveness, or may be merely "capable" of becoming distinctive. Congress provided otherwise for a configuration

of goods: a configuration of goods is merely descriptive of the goods.

3. "Slogan" and "phrase" are terms that, like "configuration of goods," are found in § 23(c) only. However, these terms are necessarily embraced by the term "word" – a slogan and a phrase are made up only of words.[3] "Slogans" and "phrases" are, in short, a subset of the category of "words." And, as demonstrated above, a "word" may be a "trademark" under § 45.

4. "Surname" and "geographic name" are also enumerated terms in § 23(c). Unlike "configuration of goods," however, these terms are also found elsewhere in the Act. They are both specifically excluded from being "inherently distinctive" by § 2(e). Congress explicitly determined that neither a surname (§ 2(e)(4)) nor a descriptive geographic name (§ 2(e)(2)) is registrable on the Principal Register absent secondary meaning.[4] The Trademark Examiner's Manual confirms this view.[5] The

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[3] A "slogan" is "a word or phrase used by a person or group to express a characteristic position or aim, stand on a contested issue, or a goal or endeavor." Webster's Third New International Dictionary (unabridged) (1976) at 2145 (definition 1(b)). It is also defined as "a brief striking phrase used in advertising or promotion." *Id.* (definition 2). A "phrase" is "a group of two or more words that form a sense unit expressing a thought...." Webster's Third New International Dictionary (unabridged) (1976) at 1704 (definition 5).

[4] The Trademark Act of 1870 prohibited the registration of any mark that that was "merely the name of a person." Trademark Act of 1870, Section 79, 16 Stat. 210 (1870). Subsequent acts continued that prohibition and added a ban on a "geographical name or term." *E.g.*, Trademark Act of 1905, Section 5, 33 Stat. 724 (1905). "Configuration of goods," in contrast, was not mentioned in any of the Acts until 1946.

[5] "Section 2(e)(2) ... prohibits registration on the Principal Register of a mark which is primarily geographically descriptive ... [such a] mark may be considered for registration on the Principal Register with a showing of acquired distinctiveness in accordance with § 2(f)...." TMEP § 1210; *see also* TMEP § 1211 (surname not registrable on Principal Register absent secondary meaning).

treatment of these terms demonstrates that Congress did place some terms in § 23(c) that could not be registered on the Principal Register absent secondary meaning. Like "surnames" and "geographic names," we submit, product configurations are never inherently distinctive.

5. "Numeral" is also found only in § 23(c) of the Lanham Act. The Courts of Appeals seem to be split on whether numerals can ever be inherently distinctive. *Compare Arrow Fastener Co., Inc. v. The Stanley Works*, 59 F.3d 384, 392-93 (2d Cir. 1995) ("T-50" is a descriptive model number that requires secondary meaning) with *Eastman Kodak Co. v. Bell & Howell Document Management Prods. Co.*, 994 F.2d 1569, 1576 (Fed. Cir. 1993) ("depending on the nature and the manner of use, it is possible for an alphanumeric designation ... to be inherently distinctive"). A numeral, it would seem, can be inherently distinctive if it acts like an arbitrary word, but cannot be inherently distinctive if, like a product configuration, it merely describes a product.

6. "Label" and "package" are terms found in § 23(c) and elsewhere in the Lanham Act. For example, section 32(1)(b) prohibits the infringement of a mark by applying it to, *inter alia*, a "label" or "package." Section 36 allows the destruction of, *inter alia*, "labels" or "packages" that bear an infringing mark. Section 45 defines "use in commerce" as, *inter alia*, when a mark is placed on "the goods or their containers or ... the tags or labels affixed thereto...." The repeated references to applying marks to "labels" and "packages" suggest that Congress knew that packages and labels could carry a mark (including an inherently distinctive mark). Congress conspicuously made no comparable reference to a "configuration of goods." The configuration is the expression of the product – it is the design of the product and says what the product is. Moreover, Congress understood that nearly all labels and packages will include one or more "words," "symbols," or

"devices," while the mere configuration of a good will not necessarily include any of those other specified terms.

7. "Configuration of goods" is found only in § 23(c). Unlike a "slogan," "phrase," "numeral," "label," or "package," it has no inherent relationship to any of the other defined terms – "symbol," "name," "word," or "device." A product configuration is clearly not a word or a name. Nor is it a "symbol" or "device."[6]

In sum, all of the companion terms to "configuration of goods" in § 23(c) are either explicitly mentioned elsewhere in the statute, or are "comfortably" covered by other explicit terms. Congress determined that many of these companion terms could identify *or* describe the goods. But Congress also determined that a configuration of goods

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[6] Samara argues that "[a] product design can comfortably be a 'symbol' or 'device' under § 45." (Resp. Br. at 12). We disagree. None of the various definitions or common meanings of "symbol" can be stretched to include "product configuration." A symbol is "something that stands for or suggests something else by reason of relationship, association, convention, or accidental but not intentional resemblance." Webster's Third New International Dictionary (unabridged) (1976) at 2316 (definition 2). A product configuration cannot be a "symbol" because it does not stand for or suggest *something else*; it merely describes itself. As for a "device," the term might seem to be elastic enough to encompass product designs, but the term actually is used more narrowly. The term "device" first appeared in the statute in 1905. Trademark Act of 1905, Section 5(b), 33 Stat. 724 (1905) (prohibiting the registration of marks which consist "merely in words or devices which are descriptive of the goods with which they are used...."). Used in that context, a "device" necessarily referred to something independent of the good itself and that described the good *with* which it was used. In addition, the word "device" at that time carried more of a heraldic meaning. In heraldry, a "device" is "an emblematic design typically of one or more figures with a motto that is used esp. as a heraldic bearing denoting the historical situation, the ambition, or the desire of the person adopting it." Webster's Third New International Dictionary (unabridged) (1976) at 618.

always describes the goods, but does not inherently identify the source of the goods.[7]

To be sure, this interpretation requires a detailed and careful examination of the statute. We believe there is an obligation to determine why Congress inserted "configuration of goods" in § 23(c), and there alone. To the extent that the meaning is ambiguous, the legislators' colloquies on the point, cited in our initial brief, are illuminating. (Pet. Br. at 16-17.) That history supports the interpretation that a configuration of goods can only be a mark on the Principal Register on proof of secondary meaning.

B. Contrary To Samara's View, The 1988 Trademark Revision Act Did Not Alter This Statutory Interpretation.

The 1988 amendments to the Lanham Act did not define which marks were inherently distinctive or which required secondary meaning. Nor did the amendments alter § 23(c), except to make it easier for U.S. trademark owners to obtain protection for their trademarks in foreign countries by eliminating the one-year use requirement. S. Rep. No. 100-515, 100th Cong., 2d Sess. 36 (1988), *reprinted in* 1988 U.S.C.C.A.N. 5577, 5599.

To be sure, the Senate Report accompanying the revisions briefly refers to the definition of "trademark" in § 45 and the retention there of the words "symbol or device" so as "not to preclude the registration of colors, shapes,

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[7] Section 43(a) of the Act also refers to "words, terms, names, symbols, or devices" which are used "*on or in connection with* any goods or services." (Emphasis added.) Literally read, a configuration of goods cannot be used "on or in connection with" itself. Thus, § 43(a), like § 23(c), also seems to differentiate configuration of goods from other concepts. The phrase "on or in connection with" is used throughout the statute. *E.g.*, Section 45, 15 U.S.C. § 1127.

sounds or configurations where they function as trademarks."[8] *Id.* at 5607. That terse comment, while purportedly tying a "configuration" to the term "symbol or device," says nothing about whether a color, shape, sound, or configuration is ever inherently distinctive. Indeed, this Court cited that very passage in the *Qualitex* case, *supra*, 514 U.S. at 172-73, in its assessment of whether color could ever be a mark. The Court's conclusion in *Qualitex* is applicable here – like color, a product design is not inherently distinctive as a source-identifier.

C. No Patent and Trademark Office Decision Holds That The Configuration Of A Product Is Inherently Distinctive.

Samara claims that several PTO decisions find product configurations to be inherently distinctive. (Resp. Br. at 15-16 & n. 19.) The cited decisions do not so hold. In the first, *In re International Playtex Corporation*, 153 U.S.P.Q. 377 (T.T.A.B. 1967), the Patent and Trademark Office considered a container holding baby pants to be "device" under § 45 of the Lanham Act and hence a proper subject matter for registration. The matter in question was not a configuration of goods but, rather, a package.[9] In *In re Superba Cravats, Inc.*, 145 U.S.P.Q. 354 (T.T.A.B. 1965), the PTO allowed registration of a hook on which a tie was suspended. The Board held that "a secondary meaning has been established by applicant in its device...." In dicta, the Board went on to state that no such showing is required

[8] The use of "configuration" there is not otherwise explained – does it mean product configuration, the configuration of a package, or a configuration of words or symbols?

[9] Samara's suggestion in this Court that its trade dress is packaging rather than product design (Resp. Br. at 10) is flatly inconsistent with the position it took on appeal in this case. In its brief to the Second Circuit, Samara stated that "[s]imilar to this case, *Two Pesos* did not involve the packaging of a product, but rather its overall appearance...." (Samara App. Br. at 14.)

where the device was inherently distinctive. Moreover, the tab hook was clearly more akin to a package that displays the product than to the product itself – a tie. Finally, in *In re Corning Glassworks*, 6 U.S.P.Q.2d 1032 (T.T.A.B. 1988), the PTO permitted the registration of a series of five lines constituting a design placed on unfinished lenses. The lines did not constitute the product itself — they were symbols or devices affixed to the product to indicate the source of the unfinished lens.[10]

D. The Statutory Interpretation Put Forward By Wal-Mart Is Not Contrary To This Court's Opinion In *Two Pesos*.

Two Pesos holds that a trade dress may be inherently distinctive. *Two Pesos, Inc. v. Taco Cabana, Inc.*, 505 U.S. 763, 772 (1992). That opinion does not purport to draw a line as to which trade dress is registrable without secondary meaning. *Id.* at 770 ("we assume, without deciding, that [the trade dress was inherently distinctive]"). At the same time, *Two Pesos* emphasized that, if there is a "textual basis" in the statute for treating proposed marks differently, "it would be a different matter." *Id.* at 774. There is a textual basis in the statute for treating a configuration of goods differently: it is only referenced in § 23(c); it is necessarily descriptive; and is not used "on or in connection with" a product.

[10] The TMEP in § 1202.03(f)(iv) cites three additional cases as establishing that configurations can be distinctive, but those cases do not appear to support the proposition that configurations can be *inherently* distinctive. *In re World's Finest Chocolate, Inc.*, 474 F.2d 1012 (C.C.P.A. 1973), is a packaging case that relies on proof of acquired distinctiveness. *Id.* at 1014. In *In re Fre-Mar Industries, Inc.*, 158 U.S.P.Q. 364 (T.T.A.B. 1968), the Board determined that a package may be inherently distinctive if it is arbitrary in relation to the product contained within the package. *Id.* at 365. The Board in that case also found that the record evidence established acquired distinctiveness. *Id.* at 367. In the third case, *Ex Parte Haig & Haig Ltd.*, 118 U.S.P.Q. 229, 230 (1958), again a packaging case, the Commissioner of Patents found acquired distinctiveness in the peculiar shape of whiskey bottles.

II.

IN THE ALTERNATIVE, WHILE THE *SEABROOK* TEST IS A USEFUL STARTING POINT, IT MUST ALSO INCLUDE SOURCE IDENTIFICATION AND CONSISTENCY REQUIREMENTS.

Several *amici*, including the United States, suggest that the Court should build its standard around the decision of the Court of Customs and Patent Appeals in *Seabrook Foods, Inc. v. Bar-Well Foods Limited*, 568 F.2d 1342 (1977). While there is merit to the suggestions, Wal-Mart believes there are certain critical factors in the proposed *Seabrook* test that are missing from the language proposed by others: source identification and consistency.

As stated by the United States on behalf of the Patent and Trademark Office (U.S. Br. at 17), the *Seabrook* test is a three factor analysis that asks whether the claimed trade dress:

1) is a "common" basic shape or design;

2) is unique or unusual in a particular field; or

3) is a mere refinement of a commonly-adopted and well-known form of ornamentation for a particular class of goods viewed by the public as a dress or ornamentation for the goods.

While several briefs point to *Seabrook* as the touchstone for deciding when a product design is inherently distinctive, that case itself was not a configuration case, but a product packaging case.[11] The design at issue consisted of graphic elements placed on packages that held frozen food.

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[11] The Ninth Circuit recently joined the Seventh, Second, Third and Fifth Circuits in recognizing that product configuration cases are significantly different from packaging cases and effectively requiring more rigorous proof before providing protection. *Leatherman Tool Group, Inc. v. Cooper Ind., Inc.*, -- F.3d --, 1999 U.S. App. LEXIS 32705, * 12 n.6, 1999 WL 1206669 (December 17, 1999) ("[I]t may be more difficult to establish protectable rights in product configuration cases, *even assuming the legal concepts and standards otherwise are no different*.") (emphasis added). That trend reflects a proper recognition that whenever the claimed trade dress inheres in the product configuration, there is a substantially increased risk that providing protection will unduly inhibit competition.

The opinion noted that the fundamental requirement for protection of a design mark is proof that "the design portion of [the] mark functions independently of the word portion of the mark in identifying and distinguishing [the claimant's] goods from those of others." *Id.* That tribunal stated the test as whether "the design makes such an impression on consumers that they will assume [the claimant] to be the source of the goods upon seeing a similar design on identical goods or closely related goods." *Id.* Applying that critical test, the panel concluded that the principal function of the package design used by the protesting company "is not to identify and distinguish the source of the goods" and therefore the protestant could not defeat registration of the competitor's mark. *Id.* at 1345.

As the *Seabrook* test is phrased in the other briefs filed with this Court, that essential focus on source identification is blurred almost to the point of disappearing. In contrast, the test proposed by Wal-Mart brings the source identification aspect front and center using the same concepts as the *Seabrook* decision. Thus, Wal-Mart endorses that tribunal's statement that the design "makes such an impression on consumers that they will assume [the claimant] to be the source of the goods," but simplifies the requirement to a showing that the design is "so unique as to be automatically, immediately and primarily perceived as indicating source." *Compare* Pet. Br. at 32 with *Seabrook*, 568 F.2d at 1344.

In addition to the source identification requirement, Wal-Mart has urged as an element of its test a specific requirement for consistency in use of the claimed trade dress. (Pet. Br. at 32-34.) It is common ground that the function of trade dress, at least the function of *protectible* trade dress, is to enable consumers to identify products with a unique source. That requirement is found in the statute[12] and the caselaw[13]. It is simply impossible for a "look" to serve as a unique identification of source when the "look" is inconsistently applied.

The absence of the requirement of consistency in the *Seabrook* opinion is understandable. That test has been developed by the Court of Customs and Patent Appeals and applied by the Patent and Trademark Office in the context of administrative adjudications of registration applications. The requirements of that Office, as well as the essence of any application process, dictate a consistent articulation of the claim. In contrast to that administrative process, the adjudicative process of civil litigation will often produce after-the-fact claims spawned by the litigation process and not based on an *a priori* articulation of a business concept.

The judicial element of "consistency" articulated in decisions like *Publications Int'l, supra*, and *Landscape Forms, Inc. v. Columbia Cascade, Inc.*, 113 F.3d 373 (2d Cir. 1997), reflects a proper effort to limit expansive claims that would necessarily limit competition. And, perhaps more importantly, it is imperative to have a coherent, consistent definition of the protected trade dress to implement any

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[12] A trademark is used "to identify and distinguish [one competitor's] goods ... from those manufactured or sold by others...." 15 U.S.C. § 1127.

[13] *See, e.g., Publications Int'l, Ltd. v. Landoll, Inc.*, 164 F.3d 337, 343 (7th Cir. 1998) (Posner, J.) ("trademark and trade dress law do not protect originality; they protect signifiers of source").

injunctive relief or to justifiably impose damages on competitors.[14]

III.

THE JUDGMENT SHOULD BE REVERSED OR THE CASE REMANDED FOR FURTHER CONSIDERATION BY THE COURT OF APPEALS.

Samara suggests that regardless of the standard that this Court adopts in answer to the Question Presented, no remand is necessary. (Resp. Br. at 42-49.) That suggestion should be rejected. The courts below did not apply the proper test. And, a remand does no disservice to the role of the jury as factfinder, but rather requires the courts to follow the proper legal standard even in the absence of a challenge to the jury instructions.[15]

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[14] Samara argues that the Court should not consider the availability of design patents in developing the test for protecting configurations as trade dress. (Resp. Br. at 20-21.) Courts, the PTO, and Congress itself believe otherwise. The Third Circuit in *Duraco* recognized that routine trade dress principles should not be applied in a product configuration context because "[t]hose issues are the province of copyright and patent laws." *Duraco, supra*, 40 F.3d at 1446. Principally in order to apply a functionality analysis, the Patent Office also recognizes that the scope of any design patent is a relevant factor in processing a trademark registration for a product configuration claim. *See* TMEP § 1202.03(a)(iii). And, as noted in our opening brief (Pet. Br. at 16 n.8), Rep. Lanham and Mr. Rogers referred to design patent law in declaring that configurations of goods were not trade-mark subject matter.

[15] Samara candidly recognizes that if the Court were to adopt a principle similar to that developed by the Third Circuit as articulated in *Duraco Prods., Inc. v. Joy Plastic Enters, Ltd.*, 40 F.3d 1431 (1994), "a remand likely would be necessary because the district court did not so instruct the jury." (Resp. Br. at 43, n. 54.) That acknowledgement undermines Samara's position that the absence of an objection to the jury instructions is a bar to Wal-Mart's prevailing here. If the correct standard is the *Duraco* test, the jury instructions were erroneous as a matter of law and the verdict cannot stand. A similar error will be present under any new standard adopted here.

A. The Lower Courts Did Not Properly Apply An Analysis Requiring Samara's Claimed Trade Dress To Be Unique And Consistent.

Samara itself concedes that the District Court misapplied the *Abercrombie/Seabrook* standard now urged by Samara, and that the Court of Appeals failed to even cite that standard. (*See, e.g.*, Resp. Br. at 38-40.) In its *amicus* brief, the United States similarly noted the District Court's misapplication of the *Seabrook* test and the Second Circuit's failure to apply that test. (U.S. Br. at 29-30.) Indeed, like the United States, Samara argues that both lower courts relied on evidence in their inherent distinctiveness analyses that should not have been considered, such as evidence of Samara's subjective intent in designing the products, professional buyers' perceptions of the product, advertising expenditures, and sales success. (Resp. Br. at 38-40; U.S. Br. at 29-30.) Those errors, we submit, preclude affirmance.

The Second Circuit's definition of Samara's trade dress, which is so broad as to be almost without limitation, demonstrates that court's failure to adhere to *Seabrook*'s requirement that a trade dress be "unique" in its market. (*See* Pet. Br. at 41.) Indeed, the evidence showed that the garments found to be protectable under that definition are not at all unique to the children's clothing market; at best, they consist of mere refinements of commonly adopted and well-known forms of ornamentation in that market. A prime example of this commonality is the Simplicity "Design Your Own" sewing pattern for making a sundress with a watermelon bib (J.A. 255). That dress is virtually identical to a Samara dress (J.A. 297) that the Second Circuit found protectable under its expansive definition of Samara's trade dress. If Samara's product and its constituent elements are so common that they are encouraged to be replicated through a home sewing pattern, they cannot be inherently distinctive under *Seabrook*.

Further demonstrating the commonality of Samara's claimed trade dress, both Samara and the Second Circuit defined the purported "look" as being "conservative" – *i.e.*, "tending to avoid dissonance, showiness, or effects that would attract undue or immediate attention; cleaving to traditional norms of taste, elegance, or manners." Webster's Third New International Dictionary (unabridged) (1976) at 483 (definition 3). A look that is "traditional" is hardly unique.

Samara's claimed trade dress is also too inconsistent to serve as an indicator of source.[16] Samara added fodder to this argument by enunciating yet another reformulation of its trade dress in its brief in this Court. (*See* Resp. Br. at 1.) Samara now claims that its trade dress is defined as garments "covering more of the child," having "minimal if any trimmings, like lace and bows," "often making the whole collar into an appliqué," use of "color running to the edge" and a tendency to "use one fabric rather than mixed." (Resp. Br. at 1.) Not a single one of these factors (derived from the trial testimony of a single witness) was previously included by Samara in its various definitions, and, more significantly, not a single one of those factors forms a part of the definition employed by the Court of Appeals.

In its brief in this Court, Samara also abandoned much of the Court of Appeals' statement of Samara's protected trade dress. That statement included a number of specific design elements that Samara omits from the description it advances here.[17] (*Compare* Pet. App. A at 18-19, 165 F.3d at 128, with Resp. Br. at 1 and *passim.*) Samara

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[16] A review of the sample garments depicted in Wal-Mart's opening brief shows the impossibility of bringing the entire line within the umbrella of a consistent definition. (*See* Pet. Br. at 39-40.)

[17] *E.g.*, "vibrant colors," "two or three identically shaped and symmetrically placed cloth appliqués," placement of appliqués on "pockets" as well as collars, use of "single-piece" garment bodies, and the "absence of three dimensional features, outlines and words."

now seeks to eliminate some of the few limitations placed on the trade dress by the Court of Appeals and substitute a broader and more vague description. The consequences of that effort, were it successful, would be an even further limitation on competition than resulted from the lower courts' decisions.

B. The Judgment Should Not Be Sustained Simply Because It Rests On A Jury Verdict.

Samara repeatedly invokes the sanctity of a jury trial as its principal line of defense. But a jury verdict, even one that is based on correct instructions, is not immune from judicial invalidation. Issues of trade dress rarely present issues of contested historical fact. The critical "facts" submitted to the jury are mixed questions of fact and law and are "infused with technical legal meaning." (Pet. App. A at 36, 165 F.3d at 135 (Newman, J.) (dissenting opinion)); *see also Publications Int'l, Ltd. v. Landoll, Inc.*, 164 F.3d 337, 340 (Posner, J.) ("distinctiveness is not really an issue of fact, but rather an issue of the application of a legal standard to facts....").

In his dissent below, Judge Newman correctly articulated a court's role in such circumstances:

> When reviewing courts consider jury verdicts on such issues as . . . the protectability of a trade dress, ... reviewing courts should ... somewhat narrow the range in which jury fact-finding is permissible. Otherwise, [courts] are ceding to juries broad authority to determine the substantive scope of the law on topics such as antitrust, copyright, trademark, and, in this case, trade dress.

(Pet. App. A at 36-37, 165 F.3d at 135-36 (dissenting opinion)).

Indeed, even in common law cases where the role of the jury is at its zenith, our judicial system reserves the final word to the judge, not the jury. The court has and will exercise the power to strike evidence or direct entry of a judgment contrary to the jury verdict if the court concludes that such action is necessary.[18]

C. Samara's Reliance On The Absence Of Objections To The Jury Instructions Is Misplaced.

Samara specifically notes that Wal-Mart "did not object to [certain jury instructions] and did not contend previously that the district court's statement of the law to the jury on this score is incorrect." (Resp. Br. at 43.) That observation misses the point.

Throughout this case, Wal-Mart has argued that Samara's trade dress claim should fail as a matter of law. Indeed, its post-trial Motion for Judgment, Wal-Mart included an entire section arguing that Samara's purported trade dress is not inherently distinctive. (J.A. 265-70.) Those legal arguments have been properly raised and preserved through the appropriate motions and are now properly before this Court for decision.

The suggestion by Samara that this Court should be concerned about the absence of any objection to the jury instructions overlooks the Court's decision in *St. Louis v. Praprotnik*, 485 U.S. 112 (1988). The respondent there argued that the petitioner, by failing to object to the relevant jury instruction, had waived the legal issue and it could not be considered by this Court. *Id.* at 119. The Court squarely rejected that argument: "the failure to object to an

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[18] If the Court decides that a product design may be inherently distinctive, the standard it adopts for proving such status will assist lower courts in deciding whether cases such as this should be submitted to a jury at all on "inherently distinctive" theories.

instruction does not render the instruction the 'law of the case' for purposes of appellate review of the denial of a directed verdict or judgment notwithstanding the verdict." *Id.* at 120 (quoting *Springfield v. Kibbe*, 480 U.S. 257, 264 (1987) (dissenting opinion)).[19]

CONCLUSION

For the reasons stated in our briefs and those advanced at oral argument, Wal-Mart asks this Court to reverse the decision of the Second Circuit and remand with instructions to enter judgment in favor of Wal-Mart or to reconsider the decision in light of this Court's action.

Respectfully submitted,

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19 To the extent that Samara further suggests that the arguments Wal-Mart presents in this Court may differ from those presented previously, Justice O'Connor's further observation in *Praprotnik* is particularly apt: "petitioner has throughout this litigation been confronted with a legal landscape whose contours are 'in a state of evolving definition and uncertainty.'" *Id.* (quoting *Newport v. Fact Concerts, Inc.*, 453 U.S. 247, 256 (1981)). This case has similarly been litigated in an evolving legal landscape. It was submitted to the jury before the Second Circuit decision in *Landscape Forms, Inc. v. Columbia Cascade, Co.*, 113 F.3d 373 (May 16, 1997), which articulated a significant new standard for trade dress protection when it required the plaintiff in a product configuration trade dress case to set forth and prove "a precise expression of the character and scope of the claimed trade dress." *Id.* at 381.